



ABLE ENGINEERING HOLDINGS LIMITED
安 保 工 程 控 股 有 限 公 司

Incorporated in the Cayman Islands with limited liability
Stock Code: 1627

ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT



2019

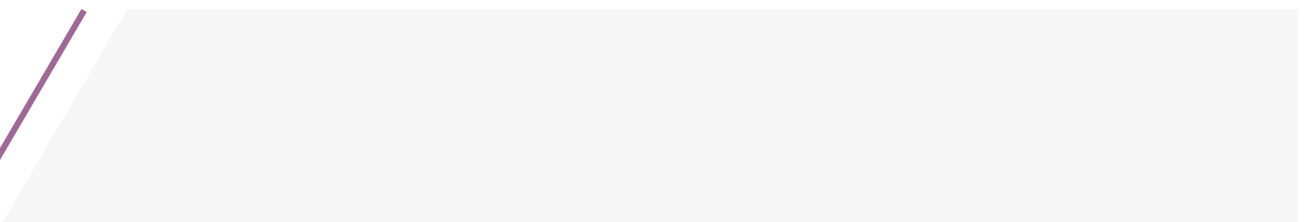




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1 REPORT OVERVIEW

1.1 MESSAGE FROM CEO

Dear Stakeholders,

As a listed company and construction corporation with great vision, Able Engineering Holdings Limited ("Able" or the "Company", together with the subsidiaries, the "Group") endeavours to exceed the expectations of our stakeholders. We take steps to protect the environment and make contribution to our society while achieving our stakeholders' satisfaction. We obtain regular updates of the Environmental, Social and Governance ("ESG") trends and regulations as well as industry practices and strive to integrate ESG concept into every parts of our operation.

We are committed to provide a safe and comfortable working environment for our employees. We adhere to all applicable laws and regulations to avoid work-related injuries. Comprehensive safety procedures have been established and our employees are required to strictly follow all safety practices.

The Group has been striving for developing innovative technology through research, promotion and application, aiming at enhancing safety, environmental protection, health, quality and efficiency in managing projects. We have been cooperating with different research and development institutions in developing new construction materials, technology and methodology.

We continuously communicate with our stakeholders to understand their expectation. We cherish every opportunity to communicate with them and make efforts to address their concerns. The process of ESG data collection and disclosure is a precious opportunity for us to review our sustainability performance. In the coming years, we will continue to implement ESG management following our strategic resources allocation and goals.

I would like to thank our employees for their commitment and other stakeholders for their support in achieving our vision and mission together. With the aforementioned efforts, we will better understand and manage our ESG risks, achieve our objectives of creating greater values for all stakeholders.

By Order of the Board
Rex Ip
CEO
Hong Kong, October 2019



1.2 About the Company

Able Engineering Holdings Limited has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”) since 2017. As a well-established multidiscipline construction corporation, the Group engages in building construction, repair, maintenance, alternation and addition works, building conversion, design and construction as well as fitting out works. Able employs more than 300 staffs comprising managerial, professional, technical and supervisory grade working on various types of projects.

The Group, is providing quality construction engineering services to both public and private sectors. Currently ongoing projects include but not limited to public and private housing construction, renovation and maintenance. With over 40 years of experience in Hong Kong, Able has gained widespread recognition for its accomplishments from clients, receiving a number of awards for architectural excellence, green building, occupational safety and more. The Group continues to work towards sustainable growth through communicating and cooperating with its key stakeholder groups.



1.3 About the Report

This report is the annual environmental, social and governance report (the “ESG Report”) released by Able Engineering Holdings Limited (1627.HK) (“Able” or the “Company”), together with its subsidiaries (referred to as the “Group”, or “We” and “Us”). It provides a detailed account of the Group’s sustainability performance, policies and strategies for the twelve months ended 31 March 2019 (the “Reporting Period”).



The Group is committed to addressing environmental and social issues in a responsible and effective manner. The Group adheres to 3 principles on sustainability management: safety first, living up to society’s expectations and serving the community. Our approach also comes into 3 parts: establishing professional operations methods, maintaining good on-site work practices and adopting green design and innovation.



Preparation Basis and Reporting Standard

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under the Appendix 27 to the Rules Governing the Listing of Securities on HKEX.

We have set up an ESG working group comprising senior management and staff who have sufficient knowledge in both ESG matters and our business operations. Cushman & Wakefield was appointed as external consultant to provide assistance and advice in the course of report preparation. The Board of Directors has reviewed and approved the ESG Report to ensure all material issues and impacts on sustainability development are fairly presented.

The Group acknowledges the importance of sustainable business practices to achieve business excellence and enhance long-term competitiveness. Focusing on three environmental aspects and eight social aspects required by HKEX, the reporting scope of this ESG Report covers our core business segments in Hong Kong:

building construction, repair, maintenance, alternation and addition works

building conversion

design and construction and fitting out works

Scope of the ESG Report

For information regarding the governance section, please refer to the Corporate Governance Report as incorporated in the Company’s Annual Report.

Access and Response to the Report

The English and Chinese versions of the ESG Report can be found via the website of HKEX: www.hkexnews.hk; and our official website: www.ableeng.com.hk. Should you wish to provide any comments or suggestions on the ESG performances of the Group, please email us at info@ableeng.com.hk.

1.4 Stakeholder Engagement

Stakeholder Communication

The Group strives to maintain a stable and close relationship with its key stakeholders as we recognise the importance of the stakeholder participation. During the Reporting Period, our key stakeholders are identified as customers, suppliers and subcontractors, employees, shareholders and investors, government and regulatory authorities and the community on an ongoing basis.

We have engaged with different stakeholders to obtain their views on the importance of the environmental and social impacts towards the business and themselves. To understand and meet their expectations, transparent and responsive channels that emphasise two-way dialogue are in place to ensure our quality communications with our stakeholders.

Stakeholders	Engagement channels
Customers	One-on-one meetings Company website
Community	Support community care and environmental protection activities
Employees	Performance appraisals Training sessions Employee activities
Government and regulatory authorities	Seminars Communication on the latest development of relevant laws and regulations
Shareholders and Investors	Annual general meeting Annual and ESG Reports Newsletter
Suppliers and subcontractors	Meetings Training sessions Safety and environmental evaluation

1.5 Materiality Assessment

We conducted a materiality assessment to better understand our sustainability impact and issues important to our stakeholders. The process is carried out through online surveys. With reference to Global Reporting Initiative’s Sustainability Reporting Standards, 21 topics are identified, prioritized, validated and reviewed by key stakeholders. Top material issues prioritized are occupational health and safety, compliance, quality management, employment and staff benefits according to the survey result.

ESG Issues Materiality Matrix



Sustainability Approach	ESG Issues
Developing professional operation models 1-10	1. Compliance 2. Business ethics 3. Anti-corruption 4. Diversity and Equal opportunity 5. Precautionary measures of child/ forced labour 6. Community investment and participation 7. Employee training and promotion 8. Contractors management 9. Employment and staff benefits 10. Employee communication
Maintaining excellent construction practices 11-16	11. Waste management 12. Occupational health and safety 13. Use of materials and construction practices 14. Supply chain management 15. Quality management 16. Complaint handling
Adopting green technology and innovation 17-21	17. Greenhouse gas emission 18. Energy consumption 19. Pollution management 20. Participation in green building 21. Technological innovation

2 THE ENVIRONMENT

The Group highly values the environmental responsibility as part of their business practices including environmental protection, resources use and continuously improvement on environmental management and policies. We are in the process of setting targets on energy and water consumption, emissions and waste to reduce the negative impact of production and operations on the environment, as well as to carry out green and low-carbon operation in our daily business.

2.1 Strategy and Management Policies Overview

Demonstrating its commitment to energy-efficient management systems on construction sites, the Group has obtained certifications such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System.

Able manages its environmental impacts systematically to drive continuous improvement. Certified to adhere to ISO 14001:2015, our Environmental Management Plan addresses the full scope of our environmental impacts. The Environmental Management Committee, headed by our directors, ensures all policies and procedures are implemented and reviewed with due diligence. Periodic committee meetings are convened to gather the perspectives of environmental supervisors, foremen and site agents along every project stage. Systematic monitoring and evaluation occur via monthly environmental reports submitted to the committee. During the Reporting Period, we have not encountered any breach of applicable environmental laws and legislations.¹

In order to regulate construction practices to reduce environmental impact, the Group establishes a set of up-to-date Energy Management System ("EnMS"). The EnMS is to ensure all significant energy uses which result from the Group's operations and activities are being strictly controlled. As an engineering company, the Group acts as a pioneer in green construction and energy-saving innovations, to support energy saving and emission reduction.

1. Air Pollution Control Ordinance (Cap. 311); Air Pollution Control (Construction Dust) Regulation (Cap. 311R); Air Pollution Control (Asbestos) (Administration) Regulation (Cap. 311P); Buildings Ordinance (Cap. 123); Dangerous Goods Ordinance (Cap. 295); ETWB Technical Circular (Works) 19/2005; Factories and industrial Undertakings Ordinance (Cap. 59); Noise Control Ordinance (Cap. 400); Ozone Protection Ordinance (Cap. 403); Professional Note PN 1/93 – Noise from Construction Activities Statutory; Professional Note PN 1/94 – Construction Site Drainage; Professional Note PN2/93 – Noise from Construction Activities Non-Statutory Controls; Public Health and Municipal Services Ordinance (Cap. 132); Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C); Waste Disposal Ordinance (Cap. 354); Waste Disposal (Charge for Disposal of Construction Waste) Regulation (Cap. 354N); Water Pollution Control Ordinance (Cap. 358)

Certificate No: EN001



Certificate No: E004



2.2 GHG Emission

The Group is committed to taking sustainable, long-term actions to manage the carbon footprint of its own operations. The ESG Report focuses on greenhouse gas (“GHG”) emissions of CO₂e (CO₂, CH₄, and N₂O) including both Scope 1 emissions (i.e. direct emissions from our office’s operation) and Scope 2 emissions (i.e. emissions from the generation of purchased electricity).

The GHG emission of the Group during the Reporting Period is as follows:

GHG Emission	Unit	Total
Scope 1 ¹	tonnes of CO ₂ -e	1,697.32
Scope 2 ²	tonnes of CO ₂ -e	1,848.53
Total GHG emission	tonnes of CO ₂ -e	3,545.85
GHG intensity	tonnes of CO ₂ -e/ HK\$’000 of revenue	0.0015

Scope 1: Direct emissions from sources that are owned or controlled by the Group.
 Scope 2: Indirect emissions from the purchased electricity consumed by the Group.

2.3 Waste Management

In recent years, with rapid population growth and urbanisation around the world, the waste generation rate in many regions have been increased drastically. Waste management affects the life of every individual in our society.

The Group is using "7R" (Refuse/Reduce/Reuse/Replace/Recycle/Reward/Review) strategy to manage waste in all construction projects. Meanwhile, the Group is aware that waste generated from daily operation is another main resource. We implement an environmental policy to promote awareness and respect for the environment among staff and stakeholders including clients, suppliers and subcontractors. We also provide adequate training and resources for staff for their daily behaviour.

During the Reporting Period, the wastes generated by the Group are as follows:

Wastes Generation	Unit	Total
Hazardous waste		
Hazardous waste	tonnes	6.84
Hazardous waste intensity	tonnes/ HK\$'000 of revenue	0.0000029
Non-hazardous waste		
General waste	tonnes	15,731.43
Inert Construction Waste (Public Fill)	tonnes	71,656.90
Non-hazardous waste intensity	tonnes/ HK\$'000 of revenue	0.037

2.4 Use of Resources

The Group has formed a complete set of resource management strategies, including operation manual for staff use. The purpose of the system is to ensure that all significant resource uses which resulted from the Company's operations and activities have been controlled. The significant resource uses will be managed through Energy Operational Control Procedures ("EnOCPs") and combined with environmental policy to help the Group achieve present objectives and targets for continual improvement.

Energy

The energy consumption of the daily office operation and construction activities for the Group is purchased electricity and diesel oil. The Group puts a high value on the energy consumption and has appointed a management representative with appropriate skills and competence to ensure the EnMS is implemented, maintained and continually improved, report the energy performance and promote awareness of the energy policy and objectives at all levels of the organization.

To achieve energy objectives and targets, the Group establishes the corresponding Energy Management Action Plan:

- *Establish a regular inspection system for public areas, conduct safety hazard checks, and practice energy conservation.*
- *Energy audit for all the offices.*
- *Purchase Energy Star Office Equipment.*
- *Installation of motion sensor light switches.*
- *Set new and existing computers, photocopiers and printers in energy saving mode.*
- *Green tips close to the switch panel to remind staff to turn off unused lights during lunch hour, overtime work and after normal operating hours.*
- *Use video conferencing instead of business trips to reduce greenhouse gas emissions due to travel.*

During the Reporting Period, the energy consumption of the Group is as follows:

Energy	Unit	Total
Purchased electricity	MWh	2,791.73
Total energy consumption	MWh	9,391.70
Energy consumption intensity	MWh/ HK\$'000 of revenue	0.0039

Water

As a combination of population growth, socio-economic development and changing consumption patterns, water consumption has been increasing worldwide by about 1% per year since the 1980s. The Group is also committed to conserve water in the company's operation and construction works to make contribution to the global water conversation.

The water conservation strategies include:

- *Post water saving tips in the rest room and pantry to remind staff of their water use behaviours.*
- *Provide water use guidelines and trainings in the construction site.*
- *Rainwater collection and reuse for construction site washing.*

During the Reporting Period, the water consumption of the Group is as follows:

Water	Unit	Total
Water consumption	M ³	107,559.04
Water consumption intensity	M ³ /HK\$'000 of revenue	0.05

Packaging Materials

As an engineering company, the consumption of packaging materials is not large. Even so, the Group chooses environmental friendly materials and strictly control the paper and plastic usage. The consumption of these materials during the Reporting Period is summarized below:

Packaging Materials	Unit	Total
Paper	tonnes	0.23
Plastic	tonnes	0.35
Metal	tonnes	0.0075
Total	tonnes	0.59
Packaging materials intensity	tonnes/ HK\$'000 of revenue	0.00000025



2.5 Environment and Natural Resources

It is the obligation for all the enterprises to protect the environment and conserve resources. The Group complies with all applicable environmental laws and regulations and make great efforts to reduce consumption of resources and energy. The Group itself adheres to the concept of green operation, resource conservation, low carbon and environmental protection to manage the company's daily operations and project sites, and meanwhile transmits these innovative environmental protection concepts to our customers, suppliers and subcontractors, together to achieve natural resource protection.

3 OUR PEOPLE

3.1 Company Culture

The Group has always been committed to fostering a culture of continuous learning and helping employees equip themselves to meet new challenges. Believing that people are the cornerstone of Able's success, we are committed to building a fair, safe and healthy workplace. We devote resources to ensuring work safety and assisting employees' career development. We want our people to thrive at Able and are committed to their professional and personal development. We encourage our people to participate in social activities to maintain work-life balance and to simply ensuring that Able is a great place to work. Meanwhile, we encourage all of our staffs to attend structured trainings courses and seminars in order to achieve a standard and quality production of works and to develop individual potentials.

3.2 Employment Policy and Labour Practice

The Group puts great emphasis on the protection of the legitimate rights and interests of all employee and strictly complies with national, local and any relevant laws and regulations. The Group complies with Employment Ordinance, Minimum Wage Ordinance and all relevant employment laws and regulations in Hong Kong. Any forms of child and forced labour are strictly prohibited in our business operations. Arrangements on remuneration, overtime payments, basic welfare such as leave, Mandatory Provident Fund ("MPF") are implemented according to statutory requirements. Medical insurance and study leave are also provided. All labour related policies are communicated to employees through internal documents, which are revised under authorization of the Director when necessary for any changes in laws and regulations.

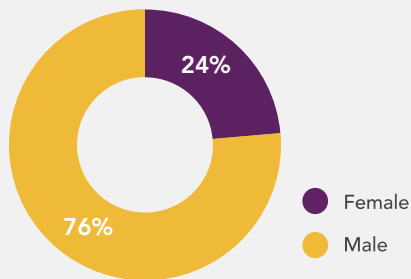
The Group does not tolerate any discrimination or harassment based on age, gender, race, marital status, family status or disability. We strive to build respectful and harmonious relations among employees. Complying with the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance and other relevant laws, disciplinary measures are taken in case of any breach of code of conduct, including verbal or written warning, demotion or dismissal.

Within the Reporting Period, the Group observed no incidents of violations of any relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other staff benefits and welfare. There were no cases of child and forced labour reported during the Reporting Period.

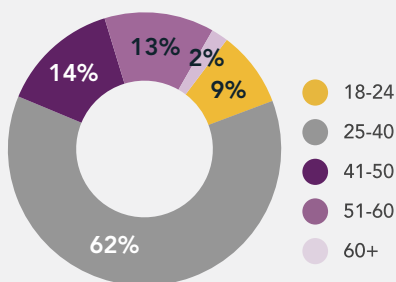
Employee Profile

As at 31 March 2019, the Group has 360 employees based in Hong Kong, comprises of 85 female employees and 275 male employees. The number of female employees has increased by about 3% from prior reporting period. The age profile shows that the Group is attracting younger generations with its viable culture and employee terms. The turnover rate for the Reporting Period is 35%. The detailed workforce demographics and turnover rates are presented below:

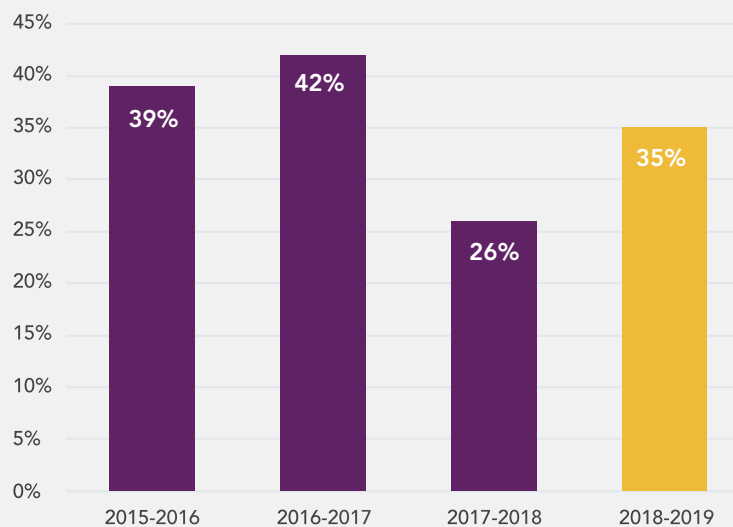
Employee by Gender



Age Profile



Turnover Rates



3.3 Employment Terms and Benefits

Our Group highly value employees' dedication and contribution to the Company. Employees with outstanding performance are commended and rewarded. Incentive travel is also organized to provide greater motivation and opportunities for employees to engage with the Company. The Group also welcomes all valuable feedback from employees regarding employment matters. They can express their opinions and grievances to the operating officer who carries out investigations and discussions to offer feasible solutions to the issues.

Furthermore, the Group has continued to optimize its practices and daily management of employees' individual well-being with the aim to create a safe, healthy and comfortable work environment. Employee well-being can bring positive influence on staff wellness and considerably increase team engagement, trusts and overall efficiency. We aim to provide competitive employee protection, reward and benefit packages that ensure our ability to attract and retain the talents we need.

3.4 Employee Safety and Health

Work-life Balance

The Group is dedicated to encouraging employees to maintain a work-life balance through reasonable contractual working hours, vacation entitlements and company activities. These include statutory holidays, paid annual leave, marriage leave, maternity leave and paternity leave, etc. We believe that with work-life balance, employees tend to feel more motivated and less stressed out at work, which thereby increases company productivity and reduces the number of conflicts in the working environment.

Diversity and Equality

The Group aims to create a safe and healthy working environment for all the employees and pursue the principle of non-discrimination and equal opportunities. We have been striving to champion a workplace with equal opportunities and will not tolerate any discrimination on the grounds of sex, marital status, pregnancy, disability, family status, race and sexual orientation. It also aims to ensure justice, fairness and openness in the whole employment process, from recruitment, to remuneration, promotion and training, try the very best to eliminate all gender, age, religion, marital status and disability discrimination. We invested abundant resources and capital in employee benefits and professional development of employees, demonstrates the Group's believes in shared values and team work.



Safety and Health Policies

People are crucial to the sustainable development of our Group. The Group is committed to ensuring a high level of occupational safety and health (“OSH”) performance of working environment for our people to prevent injury and illness, in compliance with all relevant legislation. The Group is certified with OHSAS18001:2007 Occupational Health & Safety Management System, which forms the basis of our safety manual. Our Group’s Safety and Health Policy Statement is managed and implemented by a “Safety and Health Management Committee” chaired by the Directors, to regard safety and health matters being the priority in the Company’s policies and recognize as an integral part of the Company’s business performance.

The Group aims to minimize accidents, to achieve zero fatal accident and maintain accident frequency rate to below 0.6 reportable accidents per 100,000 man-hours worked per annum with a will to reduce the accident frequency rate continuously. With this clear goal, the Group would

ensure all employees at all levels receive appropriate training and are competent to carry out their duties and responsibilities.

The safety and health policy and system will be reviewed at least annually based on safety performance measurement, feedback from employees and safety audits or safety review results. The Safety and Health Management Committee will ensure all members of the Company and subcontractors fully understand and comply with this policy and endeavour their efforts in implementing and maintenance of the safety and health management system to prevent any accident and loss.

Safety and Health Policy and Goal

- Ensure compliance with international standards and legislations
 - Improve the effectiveness of the OSH management system
 - Assess and analyze OSH risks and minimize them
 - Promote awareness of OSH among employees and stakeholders
 - Establish targets and programs to measure and improve OSH performance
- ✓ Achieve zero fatal accident
 - ✓ Accident frequency rate below 0.60 reportable accidents per 100,000 man-hours worked per annum

Safety of On-site Workers

The Group has adopted various strategies to protect and improve the safety of on-site workers for construction projects.

Potential Risks	Strategies	Assessments
Risks to worker when installing elevators	"Permit-To-Work" within the Lift Shaft	<ul style="list-style-type: none"> · Registered Safety Officer(RSO) conduct risk assessments for workers before entering lift shaft: <ul style="list-style-type: none"> · Foreseeable hazards · Safety measures or facilities · Workers need to apply for working permits on "Permit-To-Work" system via mobile app. · Safety supervisors can monitor and supervise the in and out status of workers through computer programs in order to achieve prompt safety management.

3.5 Employee Development and Training

In order to achieve a standard and quality production of works and to develop individual's potential, all staff are encouraged to attend seminars, lectures and training course which related to the nature of their duties. The Company will consider providing subsidy for employees to attend the relevant training courses / seminars on any individual application. In the Reporting Period, the Company organized a total of about 30 internal training courses covering different professional areas, with an average participation rate of 59%. The Company has also formed task groups led by assigned directors to provide more comprehensive and systemic training to employees from each discipline.



Employee Training Programs

Graduate Scheme "A" Training

Able offers formal training scheme, which is approved by the Hong Kong Institution of Engineers, for eligible graduate trainees, to provide comprehensive training throughout their training period.

Continuing Professional Development for Graduate Scheme "A" Training / Other Professional Staff

Able gives subsidy and study leave to staff under graduate scheme "A" training to attend Continuing Professional Development (CPD) course. Other professional staff, who need to attend CPD course to keep their professional membership, will be given subsidy and special leave by the Company at the discretion of their supervisors on an individual basis.

Subsidy on Degree Programme

Able provides full / partial subsidy to Assistant Engineer and Assistant Quantity Surveyor to attend degree programmes once the application is approved at the assessment panel.

First Aid Course

Able arranges first aid course for interested colleagues to attend, encourage all staff to be aware on safety issue and enhance work safety. The course is free for colleagues who passes the exam, except Safety Supervisors and Safety Officers who were required to obtain such qualification due to their duties.



Training Execution Plan

To further encourage colleagues to participate in internal training, the Training Execution Plan is implemented in 2019. In addition to the compulsory courses, colleagues of different grades need to attend the specified number of internal lectures this year:

Training Execution Plan		
Position Category	Number of In-House Seminar	Participants
Engineering	3	Site Agent, Sub-Agent, Project Engineer, Assistant Engineer, Technical Manager, Principal Engineer, Senior Engineer, Engineer, Senior Building Services Engineer, Building Services Engineer, Assistant Building Services Engineer
Quantity Surveying	3	Quantity Surveying Manager, Senior Quantity Surveyor, Quantity Surveyor, Assistant Quantity Surveyor
Safety & Environmental	2	Safety Officer, Safety Supervisor, Environmental Manager, Environmental Officer, Environmental Supervisor
Foreman	2	General Foreman, Assistant General Foreman, Foreman, Assistant Foreman

2018-2019 Internal Training Courses

Month	Topic
Apr 18	Duties of Foreman on Site Management & Supervision of Works
	Introduction to BEAM Plus for Contractors
May 18	Duties of Foreman on Site Management & Supervision of Works
	Case Sharing of Concealed Conduit Work Management
Jun 18	Quantity Surveying related
	Duties of Foreman on Site Management & Supervision of Works
	Bar Cut-and-Bend Factory Visit
	An Introduction of E&M Measurement
Jul 18	Technique for Understanding Structural r.c Framing and Major Structural Testing
Aug 18	Written and Presentation Skills for the Examination of Qualified Professional Engineer (Civil and Structure)
	Hong Kong Housing Authority Tendering
	Site Visit for the State of Disrepair of Building
	Workshop for Quality Control Handbook
Sep 18	QS Role in Design & Build Project
	How to Get Start to Prepare a Master Programme
	Construction Engineering related
	How to Register to Chartered Engineer (CEng) in Building Services
Oct 18	Common Problems and Deficiencies Review for HA Project
	Application of BIM
	Topics Presentation by Graduate Engineers
Nov 18	Common Problems and Deficiencies Review for HA Project
Dec 18	QS Practice
	Quantity Surveying related
	Site Visit to Concrete Plant in Hong Kong
Feb 19	Design and Construction Practice (Structural Steel Works)
	Introduction of Critical Activities in Building Services
Mar 19	EOT Application/Procedure, Assessment of Prolongation - HKHA Projects
	Construction Insurance and Claims Workshop

Other Training Events



In April 2018, the Group established a Construction Innovation and Technology Application Centre, dedicated to becoming the first in the construction sector to develop new technology and share with the industry of the outcome of convenience and high efficiency brought about by new technology.

In June 2018, the Group arranged a factory visit to Bar Cut and Bend Factory, to observe off-site automatic cutting and automatic production of mesh reinforcement. The visit enabled our staffs to know more about construction machinery, which was indeed an eye-opening training experience.



4 THE VALUE CHAIN

We are committed to maintaining the highest quality standard of all our projects, through stringent quality control, subcontractor management and adopting new technologies. We also strive to ensure business ethics are upheld as we engage with our business partners and stakeholders.

4.1 Management of the Supply Chain

The Group adheres to good practices during procurement process and works closely with suppliers and subcontractors for the smooth operation of business. We regularly review the performance of suppliers and subcontractors. Our management including procurement manager and project managers conduct appraisals on a half-yearly basis. The appraisal reports are reviewed by the Directors to decide if any further action is needed such as suspension or removal of a supplier or a subcontractor from our list.

The Group maintains close communication with subcontractors through training and meetings. We provide environmental training and site-specific induction training to the subcontractors, covering our environmental management policy, their respective roles and responsibilities and the significant environmental impacts related to their work. Our suppliers are expected to have strong commitments to good ESG practices concerning issues such as environmental sustainability, health and safety and ethical conduct.

4.2 Product Quality and Responsibility

Able persistently maintains high quality standards in its construction projects, aiming to fulfil all requirements specified in the contract and to meet the expectations of its customers, employees, subcontractors and suppliers. We adopt strict quality control practices to reduce variability and eliminate defects and manage quality through the implementation of our quality management system which is based upon the international standard of ISO 9001:2015. This exercise is spearheaded and supported by the Directors and all department managers and is reviewed annually to ensure its effectiveness and improvement.

Complementing the quality management system, we have formulated a quality policy and a hierarchy of documents to provide guidelines on how quality management should be performed to fulfil requirements of the relevant international standards. We also maintain an organized documentation system to keep all records of site works including inspection records and photographic evidence of specification compliance.



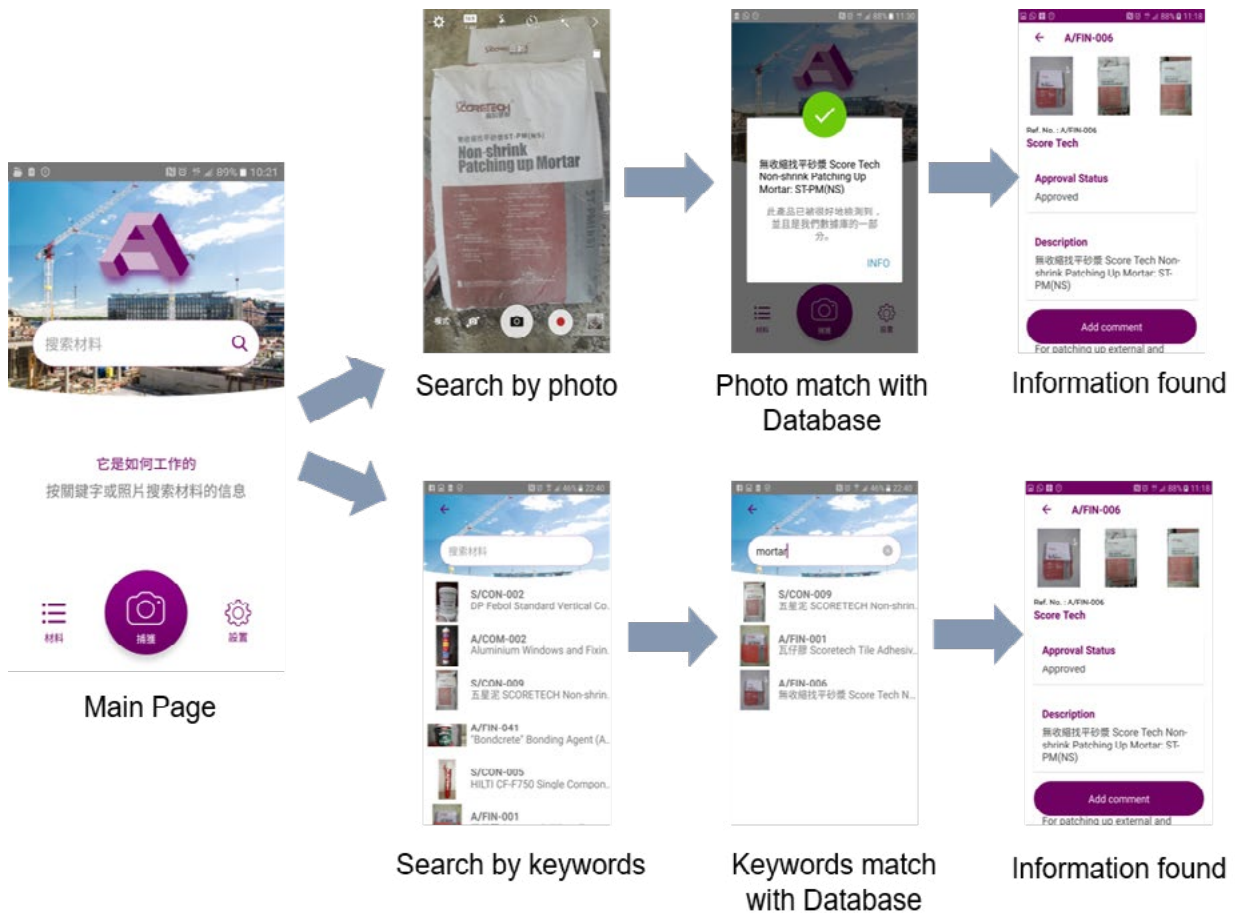
The Group upholds its product responsibility. Our operations do not involve any product advertising and labelling. During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

4.3 Process Innovation and Safety

Since 2017, the Group began to implement innovative technology to accelerate work progress, improve quality, as well as site safety. Technology allows frontline site colleagues to get an overview of the actual situation of the site so as to enhance transparency during their work process. They can also monitor the site wherever they are at all the time in order to reduce the chances of site accidents and other potential safety risks.

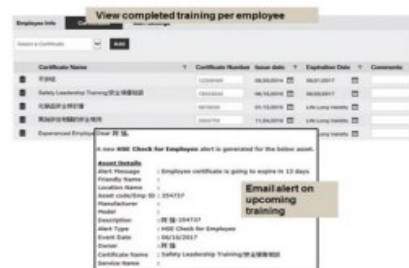
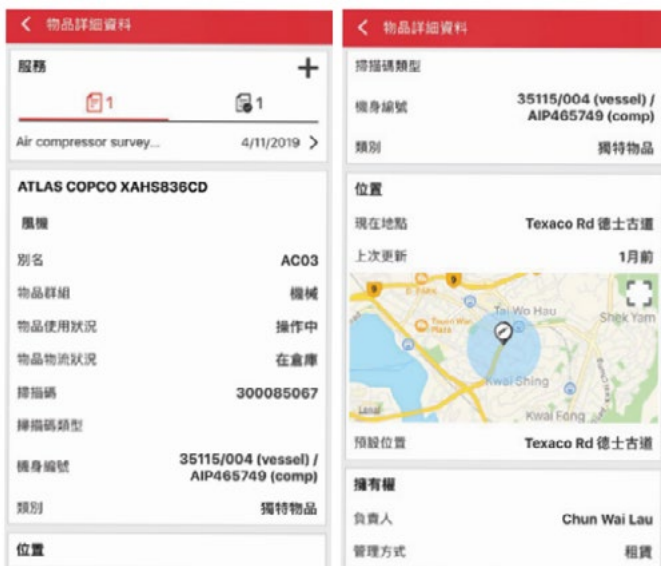
Image Recognition of Construction Materials

In April 2018, our Innovation & Technology Department has launched a research and development project on image recognition of construction materials aimed to reduce the time of inspection and enhance the accuracy of material use and increase efficiency of quality management. It is an electronic platform on mobile application which allows staffs to obtain relevant information promptly by capturing images of construction material or inputting keywords. This image recognition technology not only facilitates instant material search, but also allows management in supervising and monitoring the status of routine checking through this platform. This electronic platform can significantly reduce the waste caused by paper printing, thus being environmental-friendly.



Site Safety & Asset Management – Mobile Apps

Since September 2018, the Group has been utilizing a new asset management mobile app together with a new RFID technology – Bluetooth Low Energy (BLE) for site management. This technology majorly applies in lifting appliances, machinery, and worker management with scannable tags. The purpose of this technology is to assist frontline colleagues in site patrolling, record workers' information, and monitor their unsafe behaviour effectively through logging into the cloud web browser on their mobile devices. This also allows site supervisor to ensure that all certificates meet the latest requirements of regulations and can carry out inspection accordingly.



Moreover, the applications can also facilitate management of workers' information such as Construction Workers Registration Card number, subcontractor, trade, safety training record, trade registered licenses, certificates and their expiry date. It can also ensure the workers' safety practices to record worker's behaviours like if they are not wearing safety helmet, Y-type chin strap, safety goggles, etc.

Indoor Water Spray Testing Robot

Our Innovation & Technology Department has been striving for the research and promotion of innovative technology. It has continuously developed and launched various innovative technology projects to enhance construction safety, environmental protection, health, quality and efficiency.

In view of continuous shortage in the work force of construction workers and front-line supervisors in Hong Kong, our Innovation & Technology Department had launched the research and development work of indoor water spray testing robot at the end of last year. With robotic arm automatically testing water in indoor kitchens and toilets, employees only need to perform simple operations on tablet computers. Robotic arm can accurately and automatically complete the water testing work according to the present procedures. At the same time, the whole process of water

testing is recorded through the video camera installed at the frontend of the robot, so that the supervisory or managerial staff can monitor the real time situation of testing through online platform and simultaneously improve the quality of management.

In addition, the use of robotic arm for water test facilitates long-term automatic operation. Not only does it effectively control the testing steps, location, time and water pressure to relevant standards, it also helps relieve manpower shortage and avoid the occupational strain injuries of workers due to prolonged fixed postures.



4.4 Business Ethical Conduct

Able is committed to upholding the highest ethical standards when conducting business. We aim to protect fair competition by prohibiting any anti-competitive behaviours. For ensuring adherence to the Competition Ordinance, our employees are required to avoid exchanging competitively sensitive information with competitors; participating in price fixing, collective boycotts or market sharing arrangements; or imposing restrictions on customers, suppliers or subcontractors. During the Reporting Period, there were no reported cases of non-compliance relating to anti-competitive behaviours.

Confidentiality

Maintaining confidentiality is essential for a company to build trust with its business partners. We have been striving hard to safeguard the confidentiality of information we process during the course of business and strictly adhere to Personal Data (Privacy) Ordinance. As stipulated in our Code of Conduct, employees are required to adequately safeguard data to prevent leakage, abuse or misuse of confidential information, including but not limited to clients' information, tender information, sources of supply, etc. They shall not divulge any confidential or insider information of the Company for their own personal interest. To limit the access of confidential information, we follow the principle of "less privilege" when granting access rights. Minimum rights are granted to individuals adequate for them to perform their duties. For any system that handles confidential information, it must be protected with password-based access control. During the year, the Group was not aware of any violation of relevant laws and regulations that have a significant impact on the Group relating to privacy matters.

Anti-corruption

The Group strictly abides by relevant anti-corruption and anti-bribery laws and regulations relating to anti-corruption, such as the Hong Kong Prevention of Bribery Ordinance. The Group also issued Anti-Bribery Policy to ensure honesty, integrity and fair play of business activities, and commit to establish, maintain and review the anti-bribery policies. There were no cases prosecuted for violating relevant laws during the Reporting Period.

The Group has obtained ISO 37001: 2016 anti-bribery management systems certification. To prevent corruption related practices, we have formulated an Employee Code of Conduct, setting out the basic standard of behaviour for all employees. It provides guidelines for handling conflict of interest, acceptance of advantages, entertainment, company records and accounts, etc. The code is reviewed and updated from time to time. We have a whistleblowing policy in place for employees to report any case of suspected unethical behaviour to the Directors. Complaints are treated promptly and fairly upon receipt. Any violation of this code may lead to verbal or written warnings, demotion, dismissal and, in some circumstances, prosecution under the relevant laws.



5 THE COMMUNITY

5.1 Team Building Activities

Our Group always pay special attention to both the mental and physical health of our staffs. We encourage people to participate in sports activities and maintain work-life balance and a healthy lifestyle. We have organised many team-building activities to take part and enhance communication as well as developing peer-to-peer collaboration.



January 2019 Construction Industry Happy Run Carnival



December 2018 Geological History of Tung Ping Chau Day Trip



December 2018 Able Football Leagues



August 2018 Able Dragon Boat Competition



May 2018 Mother's Day "Safety-My Habit" Promotion

5.2 Social Responsibility

As a construction and engineering company, we recognize our responsibilities for not only contributing to the industry's development but also serving the community. Our Group has supported charities and programmes to improve the social mobility of the under-resourced and foster a more inclusive community. We understand that our responsibility to society is to bring long-term benefits to the present and even the next generation through social activities and community investment. Our Group has participated various community and public welfare affairs and fundraising activities to payback the society.

Donation

2018 Sowers Action Challenging 12 Hours Charity Marathon

In October 2018, there were 20 teams and 80 employees joined the 12-hour challenge charity event. This activity aims at raising fund for improving education and welfare of orphans and underprivileged children. We donated to the "SOWERS ACTION" with total amount of HK\$121,600.



CIC Sports Day 2018

On 21 October 2018, 52 employees joined the CIC Sport Day hosted by Hong Kong Construction Charity Fund. One of the colleagues won a 400-Meter Run Silver medal. The Group made a donation to the charity fund a total amount of HK\$5,928.



Oxfam Trailwalker Donation

In November 2018, 2 teams with 8 employees of the Group has participated Oxfam Trailwalker charity event with trail walking times of 25 hours 45 minutes and 33 hours 33 minutes. This event is to support various poverty alleviation and emergency relief programmes in Mainland China, Hong Kong and all over Asia and Africa. We donated to the charity event with total amount of HK\$35,230.



PolyU Fund-raising Dinner 2018/19

On 1 November 2018, the Group was invited by the Hong Kong Polytechnic University ("PolyU") to join "PolyU Fund-raising Dinner 2018/19" with a theme of "Create-Impact". The event was to support PolyU's development and creation of positive impact to the society. The Group was a Pearl Sponsor of the event with total amount of HK\$50,000 as a long-term supporter of PolyU.

We aim to continue our engagement to local community, through giving care to people who need supports, grooming our talents through training and personal developments, and promoting innovative ways to create a better community and future for everyone.

5.3 Awards and Certifications

2018-2019 Awards and Certifications

Name of Project / Company	Name of Organization / Event	Name of Award
Design and Construction of Redevelopment of Tai Lam Centre for Women	Quality Building Award 2018	Certificate of Merit
Proposed Redevelopment of St. Paul's Co-educational College (Phase 2), 33 MacDonnell Road	Quality Building Award 2018	Certificate of Merit
Construction of Public Rental Housing Development at Lai Chi Kok Road - Tonkin Street Phases 1& 2	24th Considerate Contractors Site Award Scheme	Considerate Contractors Site Award – Merit
		Outstanding Environmental Management & Performance Awards - Merit
Construction of Subsidised Sale Flats Development at Texaco Road	Innovative Safety Initiative Award 2018	Innovative Safety Initiative Award (Health and Welfare Category) Silver Award
	The 19th Construction Safety Forum and Award Presentation	Best Safety Culture Site - Silver Award
		Best Safety Culture Activity Team (Merit)
	Certificate for Participation	
Construction of Subsidised Sale Flats Development at Shatin Area 16, Wo Sheung Tun Street, Fo Tan and Footbridge Improvement Works at Siu Hong Road, Tuen Mun	Good Housekeeping Competition 2018	Merit Award
	Construction Industry Safety Award Scheme 2018/2019	Most Active Participation Construction Site Award
Construction of Subsidised Sale Flats Development at Shatin Area 16, Wo Sheung Tun Street, Fo Tan and Footbridge Improvement Works at Siu Hong Road, Tuen Mun	The 17th Hong Kong Occupational Safety & Health Award Forum and Award Presentation Ceremony	Appreciation Certificate
	Construction Industry Safety Award Scheme 2018/2019	Certificate of Good Performance in the Building Sites (Public Sector) category
Safety Team Merit prize		

Name of Project / Company	Name of Organization / Event	Name of Award
Able Engineering Company Limited	Sowers Action	Brilliant Participation Gold Award 2018
		Corporate Team Fundraising Bronze Award 2018
	HKIBIM Award (The Hong Kong Institute of Building Informtaion Modelling)	Certificate of Merit
	Occupational Safety & Health Council	OSH Excellence Award
	CubiCost (Glodon International)	Digital Construction Corporate
	Occupational Health Award 2018-19	Joyful@Healthy Workplace Best Practices Award - Excellance award
Able Engineering Holdings Limited	Home Affairs Bureau	Certificate of Commendation

6 DATA TABLE

	Unit	2018	2019	
Workforce	Total Workforce	Person	388	360
	By Gender			
	Male	Person	306	275
	Female	Person	82	85
	By Age			
	18-24	Person	N/A	32
	25-40	Person	N/A	223
	41-50	Person	N/A	51
	51-60	Person	N/A	45
	Above 60	Person	N/A	9
	Turnover Rate			
	2015-2016	%	39	39
	2016-2017	%	42	42
	2017-2018	%	26	26
2018-2019	%	N/A	35	
Training and Development	Average Training Hours			
	By Gender			
	Male	Hours	11.08	18.44
	Female	Hours	9.63	13.68
	By Employment Type			
	Office Staff	Hours	1.66	5.57
Site Staff	Hours	11.77	18.74	
Health and Safety	Work-related Fatalities	Person	1	1
	Fatality Rate	Per 1,000 workers	0.53	0.60
	Work-related accidents (cases of over 3 lost days)	Number	16	16
	Work-related Accident Rate	Per 1,000 workers	8.44	9.59
	Loss Time Injuries Frequency Rate (LTIFR)	Per 100,000 hours worked	0.32	0.36
	Safety Training for Employees	Hours	155	2,129
	Safety Training for Subcontractors	Hours	4,939	9,287

	Unit	2018	2019
Resources Consumption			
Total Energy Consumption	GJ	37,548.78	33,810.11
Total Energy Intensity	GJ/HK\$'000 of revenue	0.012	0.014
Electricity	KWh	3,228,502.00	2,791,728.68
Diesel	Litre	693,126.00	564,545.55
Petrol	Litre	34,789.99	64,042.66
LPG	Litre	N/A	26,731.03
Water	m ³	157,124.96	107,559.04
Water Intensity	m ³ /HK\$'000 of revenue	0.05	0.05
Greenhouse Gas Emission (GHG)			
Total GHG Emissions	tCO ₂ e	3,553.14	3,545.85
Scope 1 Emissions	tCO ₂ e	1,906.61	1,697.32
Scope 2 Emissions	tCO ₂ e	1,646.54	1,848.53
Air Emissions			
Nitrogen Oxides	Tonnes	0.174	0.49
Sulphur Oxides	Tonnes	0.001	0.00094
Particulate Matter	Tonnes	0.015	0.047
Hazardous Waste			
Total Hazardous Waste Generated	Tonnes	7.89	6.84
Non-hazardous Waste			
Waste to Landfill	Tonnes	12,969.33	15,069.24
Inert Construction Waste (Public Fill)	Tonnes	83,943.87	71,656.90
Paper Recycled	Tonnes	6.63	73.61
Metal Recycled	Tonnes	1,640.84	582.60
Plastic Recycled	Tonnes	1.18	5.98

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Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)

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Incorporated in the Cayman Islands with limited liability
Stock Code: 1627